



# **PSC NEWS**

## **Missouri Public Service Commission**

---

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-05-71

---

### **PSC APPROVES AGREEMENT IN RAYTOWN WATER COMPANY RATE CASE**

Jefferson City (October 21, 2004)---The Missouri Public Service Commission has approved an agreement authorizing the Raytown Water Company to increase annual water revenues by approximately \$334,700.

For a residential customer using 6,000 gallons of water a month, water bills will increase from \$30.68 a month to \$34.82 a month. This rate adjustment reflects costs associated with the Company's Gateway main replacement program through inclusion of those costs in the Company's new monthly rates. Originally, the company and the PSC Staff had proposed a separate monthly surcharge of 77 cents on customer bills to fund the project.

The Raytown Water Company filed a rate request with the Public Service Commission on March 10, 2003 seeking to increase annual water revenues by approximately \$642,307. As a result of the Company's request, the Staff of the Missouri Public Service Commission conducted an independent audit of the Company's books and records. Based upon that audit, the PSC Staff concluded that an increase in annual water revenues was warranted to reflect increased costs of providing service to Raytown Water Company customers. Initially, the PSC Staff recommended an increase of approximately \$273,757 in the Company's overall cost of service and agreed with the Company to propose a monthly surcharge for recovery of the cost of the Gateway main replacement project, which would have resulted in additional operating revenues of approximately \$60,943.

Under an agreement reached between the PSC Staff, the Raytown Water Company and the Office of the Public Counsel, annual principal and interest payments for the Gateway Project will be added to Raytown Water Company's overall annualized cost of service. As a result, no separate surcharge will appear on customer bills.

As part of the agreement reached in this case, the Raytown Water Company will change from bi-monthly to monthly billing.

The Raytown Water Company serves approximately 6,700 water customers in Jackson County.

---0---